



SOUTH DAKOTA STATE SENATE

SENATOR DAN LEDERMAN

MAJORITY WHIP

500 E. CAPITOL AVENUE PIERRE, SOUTH DAKOTA 57501



April 5, 2013

E-FILING

Ms. Patricia Van Gerpen
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Honorable Gary Hanson
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Honorable Chris Nelson
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
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Honorable Kristie Fiegen
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

RE: *In the Matter of the Complaint Filed by Sprint Communications Company, LP, Against Native American Telecom, LLC Regarding Telecommunications Services (SDPUC TC10-026)*

Dear Ms. Van Gerpen, Commissioner Hanson, Commissioner Nelson, and Commissioner Fiegen:

I am submitting this letter in support of Native American Telecom, LLC's, ("NAT") tremendous efforts on the Crow Creek Reservation and Pine Ridge Reservation.

As the South Dakota Senate's Majority Whip, I support South Dakota's goals of recognizing the nine sovereign tribes who share our geographical borders as distinct political entities, supporting their self-governance efforts, and working with the tribes' chosen leaders in a cooperative government-to-government relationship in order to improve the quality of life for all South

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Dakota citizens.

I also support our State's core principles that:

1. Each Tribe is unique with its own land base, language, religion, culture, and values.
2. Each Tribe has a historical and legal relationship with the State of South Dakota.
3. The State of South Dakota is to be engaged in a government to government relationship with the Tribes.
4. Each Tribe is vital to the State of South Dakota: politically, culturally, economically, and historically.

I am committed to protecting these core principles and advocating for projects and programs that advance the quality of life for the members of the American Indian tribes in South Dakota. NAT is the "textbook example" of a project that advances the quality of life for Tribal Members on the Crow Creek Reservation and Pine Ridge Reservation for several reasons that have been shared with me, including:

First, NAT is a tribally-owned telecommunications company serving Tribal Members on the Crow Creek Reservation.

Second, NAT is providing telecommunications services for residential, small business, hospitality, and public safety customers on the Crow Creek Reservation. NAT provides telephone and Internet service free-of-charge to the Tribal Members residing on the Crow Creek Reservation, assigning an imputed cost of \$35.00 per subscriber. NAT also pays Universal Service fees based upon the imputed value of the services which are subsidized by NAT.

Third, NAT currently provides 152 high-speed broadband and telephone installations at residential and business locations on the Crow Creek Reservation.

Fourth, NAT has established an Internet Library on the Crow Creek Reservation with six (6) work stations that provide computer/Internet opportunities for residents that do not otherwise have access to computers.

Fifth, the demand for the Internet Library's services is so great that NAT built an additional facility on the Reservation that serves as a full-service communications center offering free Internet, online education classes, computer classes and instruction, and free telephone access to individuals who would otherwise not have access to even these basic services. This new facility has eleven (11) additional state-of-the-art PCs and Apple computers.

Sixth, NAT's telecommunications network supports high-speed broadband services, voice service, data and Internet access, and multimedia.

Seventh, NAT has established connectivity with telecommunications carriers to provide its customers with access to emergency 911, operator services, interexchange services, director assistance, and telecommunications relay services.

Eight, NAT's ownership structure is comprised of a public-private partnership. As we all know as elected state officials, developing any type of public-private partnership on the Reservations is extremely difficult.

Ninth, NAT has a legal tariff filed with the Federal Communications Commission. It is my understanding that this tariff is nearly identical to CenturyLink/Qwest's tariff, except that NAT's rates are even lower. Under this tariff, NAT's interstate and intrastate terminating access rates are \$.006327 per minute of use for all terminating access services, both interstate and intrastate.

It has also come to my attention that in the past few weeks, NAT has opened a computer training facility with free Internet and telephone service to Tribal Members on the Crow Creek Reservation and Pine Ridge Reservation. In fact, just a few days ago, KELOLAND Television reported on the positive impact NAT's brand-new computer training facility has had on the Pine Ridge Reservation. (See <http://www.keloland.com/newsdetail.cfm/internet-library-opens-in-pine-ridge/?id=146037>).

In reviewing this docket proceeding, I also note that NAT's opponents have "rebuked" its association with Free Conferencing Corporation ("Free Conferencing"). As you may know, Free Conferencing is the world's largest privately-held conferencing company. Free Conferencing serves upwards of 20,000,000 users each month, from approximately 186 countries and has international installations in 38 countries. Free Conferencing's services are used by many of the major corporations in the United States, by almost every office of Congress, including both the Republican and Democratic Presidential campaign offices, non-profits, religious organizations, colleges and universities, and my office, just to name a few.

Free Conferencing has been in discussions with South Dakota's economic development leaders regarding a possible expansion of its business to South Dakota. In fact, state and local economic development offices have invited Free Conferencing to events designed to entice Free Conferencing to expand its business to South Dakota, bringing with it excellent employment opportunities. Unfortunately, the mistruths perpetuated by its competitors in this docket have brought Free Conferencing's potential South Dakota expansion to a "stand-still." Free Conferencing has recently conveyed to me that it believes this Commission does not want Free Conferencing, or its business potential, to expand to South Dakota. This is unfortunate to say the least as a cursory review of its history and business model reveals that Free Conferencing is clearly not the "bad guy" its opponents make it out to be. In fact, Free Conferencing is the type of technologically-savvy company that we all state officials should attempt to bring to our South Dakota.

Finally, in 2008, the South Dakota Legislature considered HB 1097, which attempted to prohibit "access stimulation" activities. This bill was soundly defeated in the House of Representatives. In 2010, the South Dakota Legislature considered SB 87, which again attempted to prohibit "access stimulation" activities. This bill was soundly defeated by the Senate. Since that time, the Federal Communications Commission has provided new guidelines for companies that wish to engage in "access stimulation" activities. I have been assured that NAT is following these new guidelines. It is apparent that NAT's opponents are using this Commission's docket to

"access stimulation" activities. This bill was soundly defeated by the Senate. Since that time, the Federal Communications Commission has provided new guidelines for companies that wish to engage in "access stimulation" activities. I have been assured that NAT is following these new guidelines. It is apparent that NAT's opponents are using this Commission's docket to take another run at an issue that the Legislature has overwhelmingly defeated on two separate occasions.

During my time in the Legislature, I have enjoyed a strong working relationship with the tribes in South Dakota and look forward to continuing that relationship. Unfortunately, American Indian tribes in South Dakota continue to face significant challenges, including staggering unemployment rates, inadequate health care, high crime rates, and educational inequalities.

NAT provides the tribes with an opportunity to enhance its telecommunications services. It is simply astonishing to me that the nation's largest telecommunications companies are attempting to stifle (or even stop) NAT's efforts on the Crow Creek Reservation. These companies have had decades to bring these type of telecommunications services to the Reservation – none of them have ever done so.

I would ask the Commission to recognize Sprint's efforts in this docket proceeding for what they are – an unfortunate and misguided attempt to suppress competition in the conference calling industry and shut down one of the Crow Creek Reservation's most successful economic development efforts in history.

In summary, I would ask this Commission to recognize the incredible impact NAT has had on the citizens of South Dakota who live on the Crow Creek Reservation.

If the Commission desires additional information, please let me know.

Thank you for your consideration.

Sincerely,



Senator Dan Lederman

District 16